

**The Holding company of Financial Investments  
(L.K.H. Group)"Egyptian Corporation"  
The financial statements accumulated in Dec 31, 2000  
Chairman of the holding company of Financial Investments  
(L.K.H. Group)"Egyptian Corporation"**

**Honor to call shareholders**

To the ordinary general assembly meeting on Monday 9/4/2001. At 12.00 pm in the company based in 47, El Orouba St, across El-Ghazaly St, Heliopolis, Cairo.

If there is no completion of quorum which required for meeting legality, the ordinary general assembly will hold another meeting in the same place after an hour of the first meeting's appointment (at 1.00 pm) on Monday 4/9/2001. The second meeting will be considered legal whatever the number of representatives shares..

The General assembly decision will be issued by overwhelming majority of the representative shares of the meeting to look into next schedule :

1. Looking into board of directors' report for the fiscal year that ended in Dec 31, 2000.
2. Introducing controller's report about the fiscal lists of the fiscal year ended in Dec 31, 2000.
3. Looking into credit of fiscal lists that ended in Dec 31, 2000.
4. Releasing members of board of directors about the fiscal year that ended in Dec 31, 2000.
5. To determine rewards and wage rates of board of directors about the fiscal year that ended in Dec 31, 2001 and to credit rewards and wage rates of the fiscal year that ended in Dec 31, 2000.
6. Appointment of two controllers for the company and determining their wages in the fiscal year ended in Dec 31, 2001.



7. Ratifying endowments during the fiscal year that ended in Dec 31, 2000 ; and determining endowments for the fiscal year which ended in Dec 31, 2001.
8. Ratification of Changes that happened to board of directors during the last period.
9. Recently works.

**Instructions :**

1. Shareholder, who desires to ask questions for board of directors, has to be introduced by written papers in the place of the company in exchange of a receipt or be sent by recommended mail before at least 3 days of holding General Assembly Meeting.
2. Every shareholder has the right to attend General Assembly's Meeting personally or his deputy. For Deputation legality, to be proved written letter of attorney and the procurator must be shareholder.
3. every shareholder desire to attend general assembly meeting must prove by a document from one of the companies concerned of records management before at least 3 days of holding General Assembly Meeting which explain freezing balance till closure of General Assembly.

**Board Chairman**

**Ramy Remone Lakah**

**Report of board of directors about the fiscal year 2000**

The Holding company of Financial Investments (L.K.H. Group) "Egyptian corporation " was founded in November 29, 1998 according to law rules number 95/1992 and its executive regulation where the company invest in companies that include different and multiple sectors & activities (industrial – commercial – medical - contracts).

From this huge sector of companies & activities, it was illustrated that there was depression of volume revenues in 2000 in comparison with 1999. Depression reasons referred to decreasing the volume of group businesses as direct result to decreasing business volume in the financial lists of clients dealt with it in different activities in general & in medical fields specially. In





addition to influence of both of economic position & events that stagnation & depression built on generally in world markets and specially in local markets which followed by forming the required allotments to confront the debts that suspected to be collected, according to principle of cautiousness & carefulness in accordance with International Accounting standards that almost appropriate with Egyptian Accounting standards, in addition to sale part of the owned assets that produced by the Arab Factory for Iron (affiliate of the Holding Company) which have influenced greatly on production mechanisms, from there influenced profit mechanisms.

The company accorded with local creditor banks to re-schedule and re-frame part of its debts to be paid on long terms. The company assumed an obligation of complete commitment to pay real indebtedness in addition to interests.

The company will pay all issued Bonds coupon locally & Internationally, as maintenance and cautiousness of holders of bonds' rights.

The company opened new local & international markets, entering in other fields as internet technology and internet Technology related to communication that will be declared soon ; which will have positive effect on volume of business and profits in half 2001. New markets will be opened in the medical activity field in many countries as COMESSA countries, IRAQ & LIBYA. Been shared in new bids to prepare hospitals in these countries that will be judged on it currently.

The two main shareholder in the company are Mr. Ramy Remone Lakah & Micheal Remone Lakah who added their own personally assets concerns another company outreaching of the Holding Company and affiliates to the assets of the Holding Company desiring to enhance the financial position of the Holding Company's assets.

The Company witnessed noticeable effort during the second half of 2000 to reframe regulatory & executive rules, and to decrease volume of administrative & general expenses without prejudice to level of administrative and executive performance by the way of serving work flow Smoothly and easily.

The company do the best efforts to collect arrears and the debts owed to them.



The company has activated changes of board of directors by joining new experienced and qualified members In financial, technical and administrative fields achieving and believing in rule of separating between property and administration. Which would have a positive effect on the company's future financial positions.

Employment volume of group reached 4007 officer and workers in 2000 in different in the various disciplines.

Management strategy group is Concentrated in the coming period to further focus of the activities of the group in the medical field. This will be announced the activation of this strategy consecutively.

Finally, board of directors pleased to introduce sincere thanks to gentlemen shareholders for what we sensed of confidence and support from them, from the leaders of the Group and accounting controller for faithfully cooperation. Also thanks to all the workers for their efforts during 2000 under the current circumstances.

#### **Board Chairman**

**Ramy Remone Lakah**

#### **The accumulated budget in Dec 31, 2000**

	<b>Clarification no.</b>	<b>31/12/2000 Egyptian pound</b>	<b>31/12/1999 Egyptian pound</b>
<b><u>Long – term assets</u></b>			
Time deposits	(3)	155.016.865	139.235.500
Clients- long term balances	4 (2-9)	307.121.543	288.510.425
Hold papers	(5)	191.720.000	-
Long –term investments	6 (2-5)	619.086.833	634.500.985
Net fixed assets	7 (2-6)	370.504.607	471.641.692
Projects in progress		10.091.696	57.697.145
Reputation	8 (2-3)	50.313.975	251.969.136
Other net assets	(2-7)	-	28.477.323
<b>Total long –term assets</b>		<b>1.703.855.519</b>	<b>1.872.032.206</b>





<b><u>Balanced assets</u></b>			
Cash and what including	(9)	15.161.459	98.409.021
Debtors- net short term balances	(10)	836.028.640	850.027.021
Net storage	11 (2-4)	533.179.929	430.734.654
Works in progress		175.542.889	123.923.333
<b>Total balanced assets</b>		<b>1.559.912.917</b>	<b>1.503.094.029</b>
<b><u>Balanced obligations</u></b>			
Creditor banks	(12)	70.323.661	238.650.097
Installments due for long term loans		-	47.757.963
Creditors- short term balances	(13)	125.527.714	39.014.657
Other credit balances	(14)	41.135.000	37.375.000
Allowances	15 (2-10)	22.144.162	67.346.222
<b>Total balanced obligations</b>		<b>259.130.537</b>	<b>430.143.939</b>
<b>Working capital</b>		<b>1.300.782.380</b>	<b>1.072.950.090</b>
<b>Total investment</b>		<b>3.004.637.899</b>	<b>2.944.982.296</b>
That will be financed as follows :			
<b><u>Shareholder's equity</u></b>			
Issued & paid capital	(16)	1.499.880.000	1.499.880.000
Statutory reserves		11.200.566	-
Profits carried forward		179.986.676	-
Net loss of year		(299.149.564)	172.125.847
<b>Total rights of shareholders</b>		<b>1.391.917.678</b>	<b>1.672.005.847</b>
Minority rights	17 (2-3)	19.651.818	25.237.207
<b><u>Long term obligations</u></b>			
Long term loans	(18)	595.161.564	319.732.459



Bonds	(19)	650.000.000	650.000.000
Creditors - long term balances	(20)	347.906.839	278.006.783
Total long-term obligations		<b>1.593.067.403</b>	<b>1.247.739.242</b>
Total finance of capital & long term assets		<b>3.004.637.899</b>	<b>2.944.982.296</b>

- The Attached illustrations completing the accumulated fiscal lists and should be read with it.
- Attached Auditor's report .

**Board Chairman**

**Vice- Chairman**

**Ramy Remone Lakah**

**Micheal Remone Lakah**

**Accumulated income list in period**

**(Jan 1, 2000 till Dec 31, 2000)**

	Clarification no.	31/12/2000 Egyptian pound	31/12/1999 Egyptian pound
<b>Net sales</b>		467.740.546	1.227.119.185
<b><u>Discounted :</u></b>			
Cost sales		(327.917.015)	(783.629.845)
<b>Total profits</b>		<b>139.823.531</b>	<b>443.489.340</b>
<b><u>Discounted :</u></b>			
Administrative & general expenses		51.545.060	84.761.324
Financing expenses		120.321.126	43.843.348
Destruction & consumption	(21)	49.371.443	25.875.953





Evaluation differences Losses of Foreign currencies	(2-1)	1.852.868	219.727
Bond interests	(19)	74.750.000	59.416.666
Permanent devaluation in - long term investments	6 (2-5)	4.000.000	-
Stagnant & Ruined stored allotment	11 (2-4)	31.000.000	-
Allotment of doubtful debt's collection	(10)	188.968.912	8.220.858
Tax settlements	(22)	4.808.731	-
<b>Total expenses</b>		<b>526.618.137</b>	<b>222.337.876</b>
<b>Added :</b>			
Credit interests	(23)	18.326.416	4.510.275
Capital gains	(27)	63.500.835	-
<b>Net year's loss before minority rights &amp; income taxes</b>		<b>(304.967.355)</b>	<b>225.661.739</b>
Minority rights	(2-3)	5.817.791	(3.670.391)
Income taxes		-	(49.865.501)
<b>Net loss of year</b>		<b>(299.149.564)</b>	<b>172.125.847</b>
<b>Stock dividend of loss</b>	<b>(26)</b>	<b>(1.99)</b>	<b>1.30</b>

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**Board Chairman**  
**Ramy Remone Lakah**

**Vice- Chairman**  
**Micheal Remone Lakah**



**Cash flow list accumulated in period****(Jan 1, 2000 till Dec 31, 2000)**

	<b>31/12/2000 Egyptian pound</b>	<b>31/12/1999 Egyptian pound</b>
<b><u>Cash flow of operating activities</u></b>		
Net (gain/loss) of year	(304.967.355)	225.661.739
<b>Added :</b>		
Destruction & consumption	62.512.838	25.875.953
Stagnant & Ruined stored allotment	31.000.000	-
Permanent devaluation in - long term investment	4.000.000	-
Capital gains not relevant to operating	(63.500.835)	-
Allotment of doubtful debt's collection	188.968.912	8.220.858
<b>Net operational profit before change of work capital</b>	<b>(81.986.440)</b>	<b>259.758.550</b>
Change in Storage	(133.445.275)	(236.037.531)
Change in work in progress	(51.619.556)	(14.569.768)
Change in creditors-long term balances	(174.970.531)	(349.711.554)
Change in debtors- long term balances	41.904.526	(139.813.412)
Change in other credit balances	3.760.000	24.441.253
Change in Installments due for long term loans	(47.757.963)	11.309.286
Change in Creditor banks	(168.326.436)	66.791.474)
Change in allotments	-	(5.201.943)
<b>Net Cash flow of operating activities</b>	<b>(612.441.675)</b>	<b>(383.033.645)</b>





<b><u>Cash flow of investment activities</u></b>		
Change in fixed assets	350.674.560	(93.097.059)
Change in clients –long term balances	(18.611.118)	(120.870.105)
Change in long -term investments	11.414.152	(372.365.860)
Change in projects in progress	47.605.449	107.284.984
Change in time deposit	(15.781.365)	(139.235.500)
Change in long term cash papers	(191.720.000)	-
Change in reputation	-	456.821
Change in other assets	50.872	(4.339.067)
<b>Net Cash flow of investment activities</b>	<b>183.632.550</b>	<b>(622.165.786)</b>
<b><u>Cash flow of financial activities</u></b>		
Change in paid capital	-	350.000.000
Change in long-term loans	275.429.105	94.814.482
Change in minority rights	232.402	(21.775.185)
Change in debtors-long term balances	69.900.056	264.547.630
Change in issued bonds	-	400.000.000
Net cash flow of finance activities	345.561.563	1.087.586.927
Net change in cash during the year	(83.247.562)	82.387.496
Cash at the beginning of the year	98.409.021	16.021.525
Cash at the end of the year	15.161.459	98.409.021

**Board Chairman**  
**Ramy Remone Lakah**

**Vice- Chairman**  
**Micheal Remone Lakah**

